IowAccess CIN Models — *Public-Private Model (Kansas)*
Tuesday, August 12 ✦ Wednesday, August 13
Hotel Fort Des Moines ✦ Des Moines, Iowa

Key Department Participants *(8:00 am - 10:00 am, August 12)*
Marilyn Adams, *Farm Safety 4 Just Kids*
Shirley Andre, *Iowa Department of Transportation*
Monty Bertelli, *Secretary of State's Office*
Michelle Clark, *Iowa Department of Human Services*
Reynel Dohse, *Iowa Workforce Development*
Rick Hindman, *Iowa Department of Human Services*
Stan Kuhn, *Iowa Department of Natural Resources*
Kathy McLuen, *Iowa Department of Human Services*
Jo Oldson, *Deputy Insurance Commissioner*
Patty Schroeder, *Iowa Department of Management*
Lee Tack, *Iowa Department of Education*
Tommy Thompson, *Iowa Communications Network*
Don Toms, *Iowa Department of Transportation*

Steering Committee Participants *(10:30 am - 12:30 pm, August 12)*
Jim Day, *Information Technology Services*
Cynthia Eisenhauer, *Iowa Workforce Development*
Roger Gutmann, *Iowa Lutheran Social Services*
Kaye Lozier, *Office of the President of the Iowa Senate*
Tom Lynch, *US Department of Veterans Affairs*
Mary Nelson, *Iowa Telecommunications and Technology Commission*
Bob Rafferty, *Governor's Office*
Col. John Tymeson, *Iowa National Guard*
Jim Youngblood, *Information Technology Services*

Citizen Council Participants *(1:30 pm - 3:30 pm, August 12)*
Diane Kolmer, *Citizen*
Carol French Johnson, *Cedar Falls & Waterloo Libraries*
Linda Plazak, *Information Technology Services*

Technical Team Participants
Jim Day, *Information Technology Services*
Greg Fay, *Iowa Communications Network*
Dave Gannon, *Iowa Workforce Development*
Doug Kern, *Information Technology Services*
Harry McDaniel, *US Department of Health and Human Services*
David Plazak, *Center for Transportation Research and Education*
Darlas Shockley, *Indian Hills Community College*
Lowell Sneller, *Information Technology Services*
Ron VanderLinden, *Iowa Communications Network*

Project 1 Participants *(8:00 am - 10:00 am, August 13)*
Dave Arringdale, *Iowa Information Technology Services*
Norman Baker, *Iowa Public Employment Retirement Services*
Bob Canney, *Black Hawk County Data Processing*
Glen Dickinson, *Iowa Legislative Fiscal Bureau*
Steve Moon, *University of Northern Iowa*
Linda Plazak, *Iowa Information Technology Services*
Jean Rommes, *Innovative Industries*
Lisa Russell, *Federal Home Loan Bank*
Jack Whitmer, *Story County Supervisor*

Public-Private Model Presentation Team
Dan Houlihan, *Information Network of Kansas*
Sam Somerhalder, *Nebraska Online*
Kent Hiller, *Access Indiana*

Public-Private Model Presentation
Dan Houlihan introduced himself and his counterparts in Nebraska and Indiana. The team explained that they would like to spend the majority of the day discussing issues of concern to each group - so will not make a formal presentation. Each group opened by going around the table to talk about what they want to know more about - and the team used these questions to begin the discussion. All questions and answers are captured below.

Key Department Officials Discussion
What is your directory service using to provide the service?
Each agency has their own platform where the data resides — the network only provides the customer with a user id and password. The network is not protocol dependent.

How do you determine whether a service will be fee-based or free? How do you deal with equity?
This model is based on the philosophy that the strong help support the weak. Some agencies have information that is commercially valuable, while other agency missions do not give them such a resource. The networks in Nebraska, Kansas, and Indiana try to stress that the network is designed to help all state agencies - and that the networks leverage the resources of some agencies to support the remaining agencies. Those agencies that have commercial information have to become players in the process - that is a requirement for this model to succeed. The network can provide value-added services by manipulating data in a way that is commercially marketable (i.e. legislative bill tracking - but legislative information remains free in its raw format). Each of these networks is governed by an oversight board, which is appointed by the State. The network manager reports to that board each month, and the board is comprised of about 50% private sector and 50% public sector.

How much revenue has this network generated?
Revenue generation depends on the size and demographics of the state. In Indiana, driver's license records were $4 — which goes entirely back to the state agency. Workloads gradually decrease as more transactions are made electronically.

Doesn't this system simply shift workloads to the data management and upkeep side?
Data management and maintenance is something that would hopefully be done anyway. We do conduct focus groups to see what the customer wants, and bring this feedback back to the state agency. This information is provided to the agency, but it is the agency's decision on what to do. Mr. Thompson reviewed how the x.500/x.509 is currently set-up and how this can fit into the presentation. The group discussed how this system could be set up in Iowa, and the ability to

perform complex transactions. Transactions are critically important to the future of government, and getting online is a great way to expand the reach of government so that citizens can have more access options. The group discussed digital signature capabilities, firewalls as deterrents to "hackers," and authentication procedures.

Have you seen cost savings in issuing and renewing vehicle registrations through the Internet and via the touch-tone phone?
The network has not yet been able to analyze this, because it does not yet have enough experience to draw from. However, the state has seen a small decrease in counter traffic.

Why aren't there more states using more credit card transactions?
The public has not yet begun to understand how security can be assured in online transactions. The public needs this assurance before they are willing to perform electronic transactions using a credit card number.

Is the corporation you work for a for-profit corporation?
Yes. Kansas, Nebraska, and Indiana have three separate organizations which are formed as subchapter S corporations. There is no parent company, but the three organizations do share common investors.

How do you do the start-up costs, who does the investment?
When this model is used in another state, a corporation is formed in that state. This corporation brings with it all the necessary upfront capital - and in exchange, the corporation asks the State to give them access to those services with the greatest financial value. These services are brought up first, so that the corporation can begin to finance the other 90% of services that are free and not revenue-generating. The governing board, which is appointed by the State, makes determinations on priorities past those preliminary revenue-generating services.

What about an application that has a lot of public value, but no commerce value?
This information or service is placed on the network at the corporation's cost - not the State's. The network meets with each state agency to work out a business plan for the network. Nebraska does not charge a fee for anything they have not charged a fee for in the past. Some legislative changes are required in order to permit fees for enhanced services. Nebraska, for example, introduced a system for centralized filing, which is presently being reviewed by the Legislature.

How do you get the agencies to work together — and convince them that spreading out the revenues is a good thing?
While a private corporation becomes the network manager, the network continues to be a "state network." The oversight board does not exist to require agency participation, but to demonstrate how the network can be an asset to agencies that are willing to try something new. The network manager works with each agency — and the agency guides its own level of participation.

Where are the universities in these states? Do they use the network?
The Universities have their own networks, and have been on-line for years. Libraries have benefited a great deal from the network, because the network has helped identify customer needs and expectations. The network has a marketing department that spends its time going out to work with customers - and feels that the network has a responsibility to relay the feedback they receive to appropriate departments and agencies. The final decision remains with the agency.

What is the length of your contract term? Who holds the license?
The standard contract term is for five years, with chance for five- and two-year renewals (depending on the state's guidelines). If the contract is not renewed, the state holds the license.

How do you politically deal with agencies that are high in revenue generation and agencies that may be lower in priority because they are low in revenue generating potential?

By automating certain processes, the network has diverted 1,500 persons from using the phone - to using the Internet to communicate with state agencies. The network provides a valuable service to agencies, and to the customer by adding convenience. The network remains the state's network, it is not a private network. This model is truly a public-private partnership. The network manager turns a small profit from a small portion of the information offered online (less than 10% of what is offered is fee-based), and the state benefits from a large amount of information and services being online (90% of what is up is free to the general public). The network offers the citizen with real time service.

Is this network really a voluntary system? If those select revenue makers are not a part of the system, how does it make money?
The system truly is voluntary, but the participation of the Secretary of State's office and Department of Transportation (Motor Vehicles Division) is essential. They need to express willingness to partner with the private sector, or the system can't work. The system is predicated on the partnership with those entities - but this continues to be voluntary. If they do not opt into the system, the network can't exist. If they do agree to partner, all of state government benefits from a voluntary network that increases their exposure to citizens. These are all policy decisions that must be made by the state. Expertise from other states with similar models is leveraged in new states - so that each state benefits from the learning experiences of other states.

Are you interested in providing electronic commerce opportunities?
Yes - it is something we are leading to in each state. Iowa is ahead of the curve in this area, as it is ready to launch some very aggressive applications.

Can you share any horror stories about response time or delays on the Internet?
Yes, there are service lapses due to variances in Internet technologies, and modems and computers used by the customer. Disruptions and delays, though infrequent, will continue until there is pressure to put on Internet service providers to make some service guarantees.

What about people who don't have local providers?
In Nebraska we charge $.12 a minute, which is a network (not a state) cost. This charge allows direct, dial-up access to the system on a need-to-use basis.

I understand targeting large users upfront, in order to cover your investment. What about the small business?
It depends upon the small business. For instance, an independent insurance agent in Scotts Bluff needs the same information as his or her counterpart in Lincoln. However, the agent in Lincoln has much easier and quicker access to this information, whereas the agent in Scotts Bluff must wait for information to be mailed. They may end up eating the money from their first thirty-day policy. This system would help equalize the unfortunate geographic inequities that exist for many small business people.

Is there a cost-sharing agreement between the network and the state?
The state does not pay for the system - it is supported by revenues generated from that handful of revenue-rich agencies. Agencies do not pay a fee to use the system - and citizens do not pay to use the system. Revenues from fee-based services support the maintenance and expansion of the network, which benefits the state.

Who is the network manager?
The network manager is the subchapter S corporation in each state. This network manager uses fees to pay for administrative expenses, and reports to the state-appointed oversight board monthly.

Who appoints the board?
The Legislature in some states, the Governor in others.

Who is going to make the final decision on IowAccess?

The IowAccess Project 1 Team will make a recommendation on a course of action to the IowAccess Steering Committee. This will occur next week. Of course, the State will need to begin working with the appropriate agencies to make sure their participation is possible.

Steering Committee Discussion

What are your fees? How do you cover your costs?

Over 90% of the information on the networks is free. The remaining 10% is fee-based. It is in this 10% where the network supports itself. The network brings investors into the state, and all the upfront investment needed to develop the network. The network brings up several fee-based services online first. There are a couple of agencies which collect information that is commercially valuable to lawyers, insurance companies, accountants, bankers, lobbyists, and other professionals. They are willing to pay an extra fee to access information real-time, electronically.   The fees generated by these value-added services to professionals supports the maintenance and development of the network, and the provision of the free services (public information that makes up the remaining 90% of the network). The state does not pay - and the public does not pay. The network manager does not set the fees - they are either already in statute or the governing board establishes the fee. The network does have a marketing arm that sends employees out to work with customers. These marketers not only sell subscriptions to business people, but they also find out what other services people want. This helps drive the development of the fee-based portion of the network, which supports the development of the free portion of the network.

What do expect from the state?

In order to make this system work, the state must agree to allow the network to market information collected by two state departments - the Secretary of State and the Department of Transportation (Motor Vehicles Division). These two agencies have information of real importance and significance to the private sector -- and the network supports itself by marketing this information to insurance, banking, and legal professionals. These charges allow the network to sustain itself, and provide all other information free-of-charge. The public doesn't have to pay, and the state doesn't have to pay for the maintenance.   Agencies still receive their original fees for services, but an additional $1 is added to these commercially valuable exchanges that are conducted electronically. Agencies must make an investment to coordinate and communicate information about their data structures, but beyond that it is a wash to the agency. To support this system, the network will first get DMV and Secretary of State information put together and operational. Then, public information will be placed on the network, at the direction of the governing board. The next phase will allow electronic exchanges.

How are you organized? What is the relationship between the three states? How will you make this happen?

Each state has a number of options in pursuing an electronic information network. Kansas, Nebraska, and Indiana have all taken a similar approach in developing a public-private partnership to develop a government information network. In these three states, no tax dollars are involved. The network manager brings in all the necessary upfront investment - but the state makes the commitment to share databases that are attractive to the private sector. This approach has two primary principals - the network is the state's network and the strong agencies support the weak agencies to create greater equity in the state. The network is overseen by a governing board which monitors network management and is appointed by the state. In the other states, the board is comprised of state entities (50%) and consumers of information (50%). The boards are traditionally split this way between information suppliers and information consumers. The model works because it takes the handful of state agencies which have missions that include the collection of information that has great commercial value, and uses this strength to support those agencies which have missions that do not allow for profit. All three companies (states) are separate and independent. However, they form an informal "consortium" that allows them to become peers and learn from one another. The system uses the Internet as the primary delivery mechanism -- information is presented

seamlessly to the consumer/citizen via this public-private network. The citizen does not see the complexity of the system behind the network.

How does your approach compliment or differ from WINGS? Do you offer application development?
The WINGS system could complement this public-private model, they two approaches are not competitive because they offer different things. The networks currently do not have links to the federal government, except on a limited basis in Indiana. WINGS offers national linkage and certificate authority for authentication. This model provides the state-side applications - this model actually provides extensive application development assistance. WINGS does not offer application development - that is left up to the state. This model does the application development for the state, at the direction of the state and its agencies. WINGS is the front end, and this model is the back end.

What is your timeline, once the contract is awarded?
Nebraska was able to get the DMV and Secretary of State's services built within 4-5 months. After that time, priorities are established by the governing board, but generally occur within three weeks. These timelines are getting shorter, as each new state benefits from the experiences of other states.

Who is the governing board?
The state determines who the governing board will be. In Nebraska and Kansas, the governing board consists of representatives from the State (Secretary of State's Office, Department of Revenue, Commissioner of Administration, Economic Development Authority), Local Government (County Commissioner), and the Private Sector (Insurance Company, Certified Public Accountant, Attorney, Banker). The boards represent a mix of state government, private business, and local government. Nebraska has someone from the media on their board..

What security features do you build into the network?
Through an interagency agreement, the governing board works with agencies to develop a security system. The network administrator will develop firewalls, but the decision on who has access to what remains with the individual agencies.

Do you currently use encryption technology?
Indiana is currently using encryption to exchange Lottery information, and is in the process of developing digital signatures to authenticate users of the system. Indiana's legislature just passed a digital signature law, and the governing board of the network was authorized to develop this concept in the state.

How do you envision using the digital signatures and encryption?
Currently, the digital signatures are being used for verification of applications and forms submitted to agencies.

Nursing homes do background checks, but not everyone should be able to do background checks. How do you allow this to happen? Do you provide and perform a cost benefit analysis?
For access that should be free, but restricted, the network can set up a system of user names and passwords at the request of an agency. However, for services that are currently associated with a charge, the network sells subscription services. Subscribers would receive a user id and password, that would code what they are allowed to access on the system. These users would sign a contract that states they will not misuse information. A use log is developed by network to verify who used the system, and what they used the system for. This use log provides audit capability, as well as a basis for a cost-benefit analysis.

Are there limits to what you will do? Can you support an intergovernmental approach?
This model will only succeed if its a win for everyone - government, consumers, and the network. Appraiser data is available from county databases in Kansas, so there are some intergovernmental applications currently available using the model. There are other options. As long as information

that is commercially valuable is provided to the network, and the network's investors can make a moderate profit, government and consumers can profit from the network's free services.

How is this structured financially?
When Kansas-Nebraska-Indiana submit a proposal, they also submit a highly detailed financial management plan. The upfront investment is provided by investors and private funds -- the revenue stream then offsets the initial investments. The network needs to develop revenue-generating applications prior to the creation of other applications. Profits are shared by the investors - but government benefits from the existence of the network and citizens benefit form greater access to information and services that remain free. Its a win-win for everyone.

Do you sell advertisements on the network? If so, who gets the revenue?
The state (governing board) determines whether advertisements are sold on the network. Kansas, Nebraska, and Indiana have not done this, but the corporations are not opposed to this. This is a state decision - the network will go along with whatever decision is made. However, if the board decides to do this, the revenues generated would be used to offset network costs. The government would benefit from accelerated development of the network. Revenues may be split by the agency and the network - but this can be negotiated on a case-by-case basis.

How are payments handled?
If you want access to premium (fee) services, you need to be a network subscriber. The network needs to maintain an audit trail, so subscriber access is tracked and billed once a month (either through direct debit, paper bill, credit card). This is definitely a value-added service for businesses and professionals that access multiple services monthly. This system eliminates the need for multiple billings for multiple services obtained from multiple agencies. It is possible that a person receives very small billings from several different sources each month. Instead of paying DMV, Secretary State, and Legislature each month — the person gets a single bill monthly from the network that outlines each charge and each service request that initiated that charge. This is a highly valuable service to business customers and frequent users.

What is the vendor name?
Kansas Information Consortium, Nebraska Interactive Inc., and Indiana Interactive Inc. The vendors are all subchapter S corporations.

What kind of revenue is generated by these networks? What is the company's share?
Nebraska has a population of 1.6 million. The state is not billed for any costs. The network is developed and provided to the state free-of-charge. It is supported by fee-based services generated from information collected by the state, but customized and provided electronically by the network. The Nebraska system had $2.3 million gross revenue last year, paid all their bills, used funds to further develop the network, and paid investors $150,000.

Is there a fear that jobs will be cut?
This is not outsourcing - we simply provide the state with a service they could not offer themselves because of high costs and organizational difficulties. Online services do not replace front desk services - it only offers another avenue for access. The network allows agencies, which have been under several years of budget and staffing freezes, to utilize their personnel more efficiently and in other areas of need. Personnel is used better, and is not as stressed because of high work and case loads. This is an opportunity to redirect resources - so some job shifting may occur, but should not necessarily translate to staff reductions. There is a human element in this that needs to be managed.

What growth patterns have emerged in states that have implemented this model?
Nebraska was at 30,000-40,000 hits/month, and in one year's time increased its traffic to 400,000 hits/month (January l, 1996 - January 1, 1997). In Kansas, their traffic increased from 400,000 hits/month to 1.6 million hits/month in the same period of time. Indiana averages 3.5 million hits a

day. In terms of high volume services, Kansas averaged 96,000 retrievals/month. Online requests for information or services increased from 8,500/month to 13,000/month in 6 months time.

Can you meet the Governor's goal to allow citizens to conduct business from their homes by the year 2000? How much development time to convert all government processes?
Kansas, Nebraska, and Indiana have a tremendous amount of information online - and the amount of information is increasing dramatically. The networks in these states have found that they are just scratching the surface of what could be offered. Planning to roll-out government electronically is a huge challenge, but if the state is committed to a goal, and stands by this commitment, it will happen. The biggest barrier faced is government itself - it is either not fully committed to the electronic approach, government structures do not support cooperation, and a lot of government information is still paper-based. Converting paper information to electronic formats alone is a very aggressive goal.

Is the limiting factor on the department side, the network side, or a combination of the two?
Combination of the two. Government can use the network for the value-added services, and eventually provide the interface to applications planned or ongoing in state agencies. The educational phase is going to be very important - this system can be a tremendous business tool. The network provides not only a system that allows for a new interface with customers, but also technical assistance to state agencies. All this is free to the state - and the agency.

How do you work the contract to ensure balance of premium vs. free services?
The governing board is an essential component in determining this balance - it needs to develop a business plan which outlines what goes up and when. The state will need an ongoing cooperative effort to make sure the network is mutually beneficial to network, state, and consumer.

What is the term of your contract?
Their proposal would include letter of recommendation from the Governor in the state's in which they are working. In Kansas, the initial agreement is for five years, with an option for another five years. In Nebraska, the initial agreement is for three years, with an option for two year extensions (negotiated 1-1/2 years in advance).

Again, do you support intergovernmental applications?
Yes. In Kansas, the network has been working with the courts to provide access to court records. Also, the most current appraisal records from Johnson County are available online (these are updated three times a year by the county, unlike state records, which are updated only once a year). Most governing boards include a local government representative.

We are under some very short timeframes because of the federal funding guidelines? How would you meet these deadlines? Would you need to subcontract?
We understand you are under obligation to get 14 projects operational in six-eight months time. The network could actually help develop these applications and comply with your timelines, but we would probably need to add additional resources so that we can justify doing these things before we get the revenue-generating applications up and running. Subcontracting is an option.

Do you try to get local (Iowa) investors?
Yes, we try to get local interest in the process. However, all state share several common investors.

What are your start-up costs? What do you need to raise?
This averages between $500,000 (Nebraska) and $700,000 (Indiana).

How much time from now to developing applications?
That is entirely dependent on the state, and its approach in getting things started. In order to respond to an RFP by the state, a corporation would need to be created and an oversight board

appointed. This could require 3-4 weeks, at which time the group would be ready to respond to a detailed proposal. However, we need to be assured that the Secretary of State and DOT-DMV are partners. They should also be involved in the development of the RFP, to make sure their needs are addressed.

Do you need a governing board and corporation before you can contract?
Yes. This could occur by expanding the role of an existing board, executive order, or through a 28E agreement. The board does need statutory authority to engage in contracts and set fees.

Do you have a parent corporation?
No. Each of the states is associated with the National Information Consortium, which helps in the development of applications. Each of the states considers themselves informal partners - or sister states. Georgia could also be considered a sister state, as they have asked the group to come down and help them in the development of their network (which already exists and is constructed in a different manner).

Have you seen an increase in use? Does the overall revenue increase?
Yes. However, cost-sharing agreements are a decision of the state. The growth of the revenues on the network side will be reflected in a growth in the network applications. The faster the network covers their investment, the faster the network will expand.

Citizen Council Discussion
How is the Board appointed?
This varies by state, but generally by the Legislature and/or the Governor.

What would be this model's interaction with the ICN?
The only way the model would interact with the ICN is if there is data the public wanted, and it is located somewhere on the ICN's system.

Would there be a fee for access to the system, and getting a user ID and password?
There is an annual fee of $50 to be a subscriber, which gives you access to premium (fee-based) services. However, 90% of what is on the system is free to the public.

Do citizens have to pay the fee?
No, unless they want to access premium services (i.e. UCC reports, legislative tracking systems). The fee is generally for those connecting for information of a professional nature.

Give me an example of a fee-based service.
Access to a driver's license record is fee-based. If an individual wants auto insurance, an insurance agent can look up the driver's record on the Nebraska On-Line account and will be charged $3. This fee, however, is charged to the insurance agent, not the citizen (its their cost of doing business).

Have there been any security issues of an extraordinary nature?
No.

Are you the contractor that the governing board hired to oversee this?
Yes, we went through a bid to get the contract in each state.

How did it start?
It began in Kansas, and the concept expanded in Nebraska and Indiana. We (a group of individuals from Kansas, Nebraska, and Indiana) form a new company in each new state. This new company shares common investors with the other states, but is unique to the state.

How responsive have agencies been to your network?

Like any partnership, you have to earn each other's trust. This takes some time to build up, but it has not been a problem in the states that are now operational. There are always some agencies that are not willing to cooperate with the network — it is a control issue. The network does not force involvement of such agencies, instead, the network will provide a hyperlink to the agency..

How long do contracts run?
Generally, five years, with opportunities for renewal.

Technical Expert Discussion

How do we get public telephone industry involved in this effort and put it into use for all citizens?
Not sure - it differs from state to state.

Since this system relies heavily on premium services, what happens if agencies are uncooperative in supplying data?
It is very easy for agencies to supply data. The network set ups an FTP account for agencies. When they are ready to go, the agency uploads files onto the network. If agencies do not wish to share their data, the network continues to provide a link to their agency page, if they have one. Another option is to host data, by linking to data on their platform. The network will help develop the appropriate interface in these situations. This partnership must be a part of a larger, collaborative process. The board will set up inter-agency agreements with state agencies.

What does the state pay for? Are there other options for services being flat-rate? Who is going to subsidize what? What about those who do not have a funding base?
Each state hires a vendor, through competition, to serve as a network manager. The network is the state's network, it is not the vendor's network. No state dollars are used to build the network. The network support itself by marketing and selling information that is customized and formatted in a way that is commercially marketable. The State collects a lot of information that is valuable to the business community. This small (less than 10% of the network's base) portion of information supports the remaining free, public information (90% of what is on the system). The fee structure is —$5 for drivers license renewal ($1 goes to the network). This extra dollar pays all the network expenses. The network expects a negative cash flow during the first 8-12 months. The company is set up as a subchapter S corporation, and is a private for-profit enterprise. The state appoints a governing board to run the corporation - and the network manager appears before this board on a monthly basis.

The network sells subscriptions to customers who wish to use premium (fee-based) services. They are given a user id and password, and are billed monthly (or have their banks automatically debited monthly) for their transactions. Records of these transactions are kept by the network to track use and for audit purposes. In Kansas you cannot use any information for solicitation purposes -- they will be held legally accountable if they use it for purposes other than allowed. Each subscriber must sign an agreement, which is really a contract, to guarantee that this does not happen.

How are you governed and managed?
Each state has a governing board that manages the contractual relationship. In Kansas, there is a 10-member board which includes information consumers (insurance, banking, legal, people who want access to info to help their business), other consumers, libraries, and the media. On the government side, the board is comprised of the Secretary of Revenue, the Secretary of State, Director of Administration, and the Director of Kansas, Inc. (an economic development think tank). Nebraska's 12-member board is made up of representatives from the Nebraska State Records Board, governor's staff, Secretary of State, State Treasurer, State Auditor, Director of Administrative Services, Secretary of Agriculture, and other interest groups (banking, insurance, legal, libraries, and media). Each state is a separate company — Kansas's network is managed by the Kansas Information Consortium, Indiana's is managed by Indiana Interactive Inc, and Nebraska's is managed by Nebraska Interactive Inc. The companies bring all the private investment for the initial network start-up to the state. Each company is dedicated to doing nothing but serving that state's network. All three states are

governed and managed by separate companies, but they share common investors and consider themselves as sister companies. Each company leverages the experience and expertise from the others — so that the states actually benefit from a broader learning experience. Indiana's Enhanced Data Access Board includes six members from the state, two governor's appointees, and three business representatives (one each from the insurance, banking, and legal professions). Nebraska has had individuals from 26 states access information on the Nebraska network. Funds that come from the revenue generated on the handful of fee-based services is used to hire additional staff to develop additional applications, and promote the network.

The design is not real graphics intensive, is that purposefully done?
Each state directs their own web design — so that each state has their own individual look and feel. There is no uniform look to all three state's web sites. They have been designed to accommodate the lowest common denominator. The state wanted everyone to have access, including those with low-speed modems, slower connections, or older browsers. The vast majority of browsers are Netscape and Microsoft. The network is only a conduit for agency information - the agency always owns the information and the state always owns the network. Many times, the state or an agency will want complicated graphics on their sites. The network will attempt to educate these individuals on the difficulties many will have in accessing such pages, and provide consulting services on making simple pages look flashier. However, the ultimate decision on the design lies with the state and participating agencies. In Indiana, all the network hardware sits behind a firewall. All three states us UNIX and NT systems, although the majority of systems are on UNIX. Most of the applications and information run inside the firewall. However, the networks also have an external network outside firewall. The network has posted the process for air permits -- set up the system so that only project managers have access to it. This decreases the need to mail voluminous documents back and forth.

Where does your role begin and end?
Network manager is responsible for doing all the work. The agency remains a custodian of data, vendor just provides security and the forum to conduct transactions.

What technology do you use? Java? What kind of databases? What applications are available? How is security handled? How is the security system managed?
The network builds interfaces to existing state databases. The network writes codes that connect to different databases within state government. The network does some Java where it is necessary or applicable -- but tends to stay away from it now for several reasons. However, the network does a lot of JavaScript. The network does a lot of database work — but the need and extent of this varies from application to application. Information changes at varying rates. Depending on how often these changes occur, the network and agency work together to determine the best way to maintain the database. Sometimes the network is asked to maintain the database — but most of the time the agency maintains the database. Networks use almost all database programs — except Norvel. The networks have not yet run into a situation where they could not adapt to a different database.

The network firewalls are a proxy firewall. The user submits a request -- this HTTP request comes to the firewall and stops. The user stops outside the wall, and never interfaces with state hardware/software. The logon to the DMV mainframe is between the network and DMV. The network only requests information — it is not able to change that information. The networks also use Gauntlet — which is ranked in the top three of firewalls. For applications that necessitate it, the network can run on Netscape applications. Indiana has passed a law to legalize the use of digital signatures, and that technology is currently being implemented.

When you come in, what happens if staff is already there?
We have found, especially with larger agencies, it was absolutely critical to get an internal web master. In larger agencies, the network manager establishes a relationship with the webmaster, who ultimately decides what gets done, and when it gets done. In smaller agencies, the network

can become that webmaster if they do not currently have the staffing capabilities. However, the agency always calls the shots. The agency ultimately decides — have someone from that agency manage their web presence and data or have a network representative assigned to work with them to do the same work. This is an agency decision - not a network choice.

How do you approach regular maintenance? Who is responsible for it? How would you address providing services for the visually impaired?
The network is only responsible for the maintenance of its hardware and software. All other maintenance is the responsibility of each agency - they own their systems and hardware and data.

Have you done anything to make the web page a single registration point for government -- with use of user id and password?
The networks have not, at this time, done this. Subscriptions are the only "registration" opportunities at this time — and they are only used to access agency information that is fee-based. For example, some information is only available to lawyers registered with the Bar Association. The network does not perform background checks to make sure people are indeed who they claim to be. In this sense, they do not guarantee authentication.

What about Standards?
In Indiana, there really aren't software standards. Instead, the network hires people who can create interfaces between various software — so that the differences are transparent to the user and the agency. The network creates whatever interfaces are needed to allow communications. There are no pre-defined product sets for this approach. The networks will work with whatever software and hardware systems exist.

Do the networks provide e-mail?
Anyone who subscribes to network will get e-mail with it. If an agency wants e-mail, the network will help them get what they need.

What do you do about different domain names?
If someone wants their own domain name, the network will work with them to get it.

What do you do about information that is free, but not public? For example, teachers call into the state system to check on their recertification or to exchange student records. This is not public information - but is provided free of charge to authorized persons.
The networks have the capacity to deal with these situations. The network would probably set up a user id and password system, without charging a fee.

What if agency wants to do EDI transfers?
We can connect, and will do mapping of transfers.

What are your usage rates? Is there a peak time of day?
During the legislative session, Indiana averaged over 3 million clicks/day. Nebraska began with 30,000 hits/month and is now up to 400,000 hits/month (during six months time). Kansas went from 400,000/month to 1.6 million/month.

What if agency has Lotus Notes application?
Like all applications, the network will do what is necessary to work with it. The responsibility to create the interfaces does not lie on the agency - it is a network responsibility. The agency does not need to change its software to accommodate the network.

Can you do things that a normal govt agency couldn't do?

The network does not want to be in competition with Internet service providers — it is designed to provide a specific service by allowing agencies to focus on their missions and government to be cost-efficient in providing information over the Internet.

Do you allow advertising on the web page?
That is a governing board decision — a policy decision that is left up to the state.

What if an agency wants to do their own programming?
That is okay, the network will work with whatever the agency wants to do. The network manager exists to help facilitate agency needs. The network will train a person on an agency's staff to design web pages, do programming, etc. In fact, the network prefers that the agencies do their own work if they are putting information up on their site. Online forms, transactions, and other more complex exchanges are a cooperative effort between the network and the agency.

What is the turn-around time on helping agency set up a transaction?
The timeline depends on how fast you want to move, and what needs to go up. The most complicated applications can take up to four months. The number of developers hired by the network really depends on size of state, number of projects, and number of agencies.

How do you prioritize what projects will come first?
It is on a first-come, first serve basis, unless the governing board states otherwise. The network wants to respond to agency priorities — and will work with agencies in their planning to determine what goes up first.

Do you developing applications that generate revenue first?
Yes, so the network can begin generating revenue. The rest is up to the governing board.

Have you encountered any legal opposition to charging fees?
Yes. One insurance company in Nebraska has filed a lawsuit over a $1 fee that is charged for access to a specific set of information. This issue has become moot, because the Legislature passed a bill that enacted the fee in statute. That is the only lawsuit that has been brought up in all three states.

What is involved in your interagency agreements?
The agreements outline the use of data, fees associated with access to that data, revenue sharing arrangements, and the network manager's responsibilities to the agency. The agreement also protects the agency. It is important to note that the board approves any fee associated with service. Fees set in statute will be the same electronically (there will be no added fee). Likewise, if information is free, it will remain free when provided electronically. Over 90% of the information on the three networks is free.

Who would bid on the Iowa contract? Would it be all three companies?
No. There is another company -- the National Information Consortium. We (the three companies in Nebraska, Kansas, and Indiana) would go to that group for advice. A company would be created in Iowa, and a person from one of the other states that has exhibited tremendous leadership qualities would be shifted to Iowa. The remaining staff would be hired in-state, but experience would be transferred by the network manager. The companies are organized as for-profit, subchapter S corporations.

In Iowa, 25-30% of the population do not have local dial-up internet access -- how will you serve them?
The network does not want to compete with local ISPs. However, the network recognizes there is a problem in many rural states. The network would set up a bank of modems, and offer an 800

service where people without Internet access can dial into the system to access the network. The network is currently working with GTE to get more service coverage.

Where do the developers come from?
Generally, we start looking at existing staff. The network prefers to hire from within the state. Eventually, the people from within the state will take over, but staff is built as the network expands.

Do you have contact with Federal agencies?
Lately, this has become more of an issue. Many states are looking for linkages between state and Federal services, but no one has gone as far as Iowa. Indiana is doing some work with Federal agencies.

Project 1 Team Discussion

Does you design support an intergovernmental approach? How will you secure the system and set standards for all agencies and levels of government?
Yes. In Kansas, the network has been working with the courts to provide access to court records. Also, the most current appraisal records from Johnson County are available online (these are updated three times a year by the county, unlike state records, which are updated only once a year). Most governing boards include a local government representative. The networks really don't have standards. Instead, the network hires people who can create interfaces between various software and hardware — so that the differences are transparent to the user and the agency. The network creates whatever interfaces are needed to allow communications. There are no pre-defined product sets for this approach. The networks will work with whatever software and hardware systems exist.

What is the impact on information providers? How will it change the way we do business?
No, it allows agencies to better concentrate on their missions. All the network does is provide an additional avenue for transacting business. The network provides an interface which is transparent - and the network does not require a certain set of standards be followed. IT will work with whatever the agency uses. In fact, this should actually help agencies conduct their business. Any changes that occur because of performance improvements are an agency decision - not a network decision.

What drove your states to follow this model?
States did not have the upfront money necessary to build an enterprise-wide information system. The model used allows for the state to develop a public-private partnership - so that the states may leverage private sector expertise and investments. The vendor brings in all capital to build the network. To sustain the effort over time, this vendor needs to have access to revenue-generating information that can support the system operations. Enhanced access fees charged to customers using these revenue-generating services are used to support the network. There are two or three applications that have commercial value. This model really uses an inverted pyramid to support the network — two or three key applications (which are of great benefit to banking, insurance, legal, and other professionals and business people) are used to support the entire pyramid of public (free) information. In the three states, over 90% of the information is free, while 10% are fee-based. In essence, the insurance, banking, and legal industries support the system.

Who was the first state to do this model?
Kansas was the first state to use this model.

Is there a parent corporation?
No. The three states share some common investors, but are separate entities. The companies are all formed as subchapter S corporations. The companies are devoted totally to the state's network.

What is the value-added from the extra dollar on transactions?

Time savings and greater efficiencies in processing requests and responses to requests. Customers benefit from real time transactions which translate into savings in time. The system adds ease - and customers are willing to pay for this added convenience.

How are you organized? How are you structured? What is the relationship between the three states?

Each state has a number of options in pursuing an electronic information network. Kansas, Nebraska, and Indiana have all taken a similar approach in developing a public-private partnership to develop a government information network. In these three states, no tax dollars are involved. The network manager brings in all the necessary upfront investment - but the state makes the commitment to share databases that are attractive to the private sector. This approach has two primary principals - the network is the state's network and the strong agencies support the weak agencies to create greater equity in the state. The network is overseen by a governing board which monitors network management and is appointed by the state. In the other states, the board is comprised of state entities (50%) and consumers of information (50%). The boards are traditionally split this way between information suppliers and information consumers. The model works because it takes the handful of state agencies which have missions that include the collection of information that has great commercial value, and uses this strength to support those agencies which have missions that do not allow for profit. All three companies (states) are separate and independent. However, they form an informal "consortium" that allows them to become peers and learn from one another. The system uses the Internet as the primary delivery mechanism -- information is presented seamlessly to the consumer/citizen via this public-private network. The citizen does not see the complexity of the system behind the network.

Is there costs associated with this system? How is the system supported?

Over 90% of the information on the networks is free. The remaining 10% is fee-based. It is in this 10% where the network supports itself. The network brings investors into the state, and all the upfront investment needed to develop the network. The network brings up several fee-based services online first. There are a couple of agencies which collect information that is commercially valuable to lawyers, insurance companies, accountants, bankers, lobbyists, and other professionals. They are willing to pay an extra fee to access information real-time, electronically. The fees generated by these value-added services to professionals supports the maintenance and development of the network, and the provision of the free services (public information that makes up the remaining 90% of the network). The state does not pay - and the public does not pay. The network manager does not set the fees - they are either already in statute or the governing board establishes the fee. The network does have a marketing arm that sends employees out to work with customers. These marketers not only sell subscriptions to business people, but they also find out what other services people want. This helps drive the development of the fee-based portion of the network, which supports the development of the free portion of the network.

How would you bid in Iowa?

We would form a corporation in Iowa, and bid on the RFP. The original contract is between the advisory board and the network manager, which is the subchapter S corporation that follows the models from Kansas/Nebraska/Indiana.

Who is we?

We - a group of individuals from Kansas, Nebraska, and Indiana. We will look at our talent pool in our states, and identify a person who could transfer to Iowa to set up a corporation and become the network manager. We (this multi-state group) would contact our common investors to determine if they are willing to be involved in another state initiative. The remaining investors, and employees, would be hired in-state. This way, expertise is transferred from other states to Iowa. While there is no parent corporation, there is an informal consortium of people working together to promote this model.

Who is interested in the information you provide on the network? Is it only business?

There are two levels of people interested in information - a citizen wanting to know about themselves and a business person who wants to know about others. It is the business person that will pay for customized information - this information is either a cost of their doing business or gives them an advantage by saving time, research, or adding value to their service.

How do you make sure of a person's identify?

Restricted access services requires a user name and password to access. This may or may not include a fee - depending on what that person wants. This is set by the governing board. When a person signs up to be a subscriber, they must sign a contract which becomes a formal and binding agreement with the network. This contract requires that the person only use the information as intended, and that they abide by any legal obligations. This is the only authentication process currently in existence. This contractual agreement takes care of open records requirements, and with confidentiality requirements. Currently, the three states only offer public information on the network. The network works individually with agencies that have the need for higher levels of security and authentication. Authentication is done on a case-by-case basis. This is free to the agency and to the consumer.

Do you run a UNIX system? Does the county need individual firewalls?

A UNIX system supports the networks in Kansas, Nebraska, and Indiana. Design decisions on firewalls is left up to the county, agency, or entity. The network will work with individual entities to determine what will work best, but the decision is ultimately left up to the entity. There are a number of ways to design the system - the network will help as needed, but the agency is ultimately responsible for the decision.

Do you have applications in your other states that are individual access applications?

Not currently. Kansas only deals with open records. Indiana, however, is currently working on some of these types of applications. For instance, nursing home background checks are planned.

Do you handle sensitive information, like drug testing or mental health information?

Not specifically, but the networks have the capacity to create multiple levels of privilege. Indiana has health professional data online, and one of the fields is test results, which is confidential. The system can serve as both the firewall and the filter - and the system can support multiple filters.